Supreme Court, U.S.
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No. 97- OFFICE OF THE CLERK

IN THE
Supreme Court of the United States
OCTOBER TERM, 1997

SHAKESPEARE COMPANY,
Petitioner,
v.
SILSTAR CORPORATION OF AMERICA, INC.,
Respondent.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

I. Whether, in a trademark infringement action, a finding of intentional copying raises a presumption of a likelihood of confusion, as the Second, Sixth, Ninth, and Eleventh Circuits have held; no presumption of a likelihood of confusion, as the Third, Fifth, and Seventh Circuits have held; or a presumption of a likelihood of confusion only if there is proof of intent to deceive or exploit, as the First and now Fourth Circuits have held.

II. Whether, in a trademark infringement action, the fair use defense is unavailable whenever there is a likelihood of confusion, as the Second, Fifth, and Ninth Circuits have held, or available even when a likelihood of confusion exists, as the Fourth Circuit and a minority of other courts have held.

III. Whether, in a trademark infringement action, an incontestable trademark must be considered a strong mark, as the Second, Sixth, and Eleventh Circuits have held, or may be found to be a weak or merely descriptive mark—despite this Court's decision in *Park 'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985)—as the Fourth, Fifth, Seventh, and Ninth Circuits have held.

PARTIES TO THE PROCEEDING AND RULE 29.6 STATEMENT

Petitioner Shakespeare Company was plaintiff-appellant below. Respondent Silstar Corporation of America, Inc. was defendant-appellee below. Shakespeare Company—a wholly owned subsidiary of K2 Inc.—has no nonwholly owned subsidiaries.

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Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Shakespeare Company ("Shakespeare") respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Fourth Circuit in this case.

OPINIONS BELOW

The opinion of the Court of Appeals is reported at 110 F.3d 234 and reprinted in the appendix hereto ("App.") at 1a. That divided opinion affirmed the order of the District Court for the District of South Carolina reported at 906 F. Supp. 997 and reprinted at App. 22a. The prior opinion of the Court of Appeals is reported at 9 F.3d 1091 and reprinted at App. 58a. That divided opinion reversed an order of the District Court reported at 802 F. Supp. 1386 and reprinted at App. 91a. The opinion of the District Court granting a preliminary injunction is unreported and reprinted at App. 116a.

JURISDICTION

The judgment of the Court of Appeals was entered on April 3, 1997. App. 1a. A timely petition for rehearing with suggestion for rehearing in banc was denied on July 3, 1997, with the panel split 2-1 on rehearing and the in banc court split 6-6 on rehearing in banc. *Id.* 136a. A corrected order on rehearing was issued on July 10, 1997 (changing "a majority of the judges voted to deny rehearing in banc" to "a majority of the judges did not vote to grant rehearing in banc"). *Id.* 138a. The jurisdiction of the District Court was based on 28 U.S.C. § 1338 and 15 U.S.C. § 1121, and the jurisdiction of the Court of Appeals was based on 28 U.S.C. § 1291. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(1).

PERTINENT STATUTORY PROVISIONS

The provisions of 15 U.S.C. §§ 1064, 1065, 1114(1), 1115, and 1119 are reprinted at App. 140a-146a.

STATEMENT OF THE CASE

Petitioner Shakespeare, the foremost manufacturer and distributor of fishing rods in the United States, owns a federally registered trademark for fishing rods consisting of a whitish-translucent or clear tip combined with an opaque base. Shakespeare has used this "clear tip" mark since 1976 to identify the source of a variety of rods it markets, including the highly successful "Ugly Stik" line of rods. It has invested millions of dollars advertising the mark and the rods which embody it. These efforts have been highly successful, resulting in the sale of over $80 million worth of Ugly Stik rods between 1981 and 1990. Shakespeare was granted registration of the trademark on December 20, 1983, and the registration became "incontestable" pursuant to 15 U.S.C. § 1065 on November 13, 1989. App. 59a-60a, 93a-94a, 99a.[1]

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[1] Incontestability is "conclusive evidence of the validity of the registered mark and of the registration of the mark, of the reg-

In 1983 Bert Rost—the Shakespeare officer who had executed an affidavit before the Patent and Trademark Office attesting to the distinctiveness of the "clear tip," as well as to Shakespeare's ownership of and exclusive right to use that mark—abruptly left the company to work for the parent of respondent Silstar Corporation of America, Inc. ("Silstar"). Other key Shakespeare employees followed, and in 1988 Silstar introduced at a major trade show its "Silstar Power Tip"—a rod with a clear tip and opaque base. Shakespeare sued for trademark infringement, and the case was settled when Silstar agreed to paint the tip on its rods red. In July 1990, however, Silstar introduced a line of fishing rods known as the "Silstar Power Tip Crystal" rods, with a color configuration similar to that covered by Shakespeare's trademark. App. 99a-102a.

Shakespeare promptly initiated the present action on July 20, 1990, alleging that Silstar had engaged in trademark infringement and unfair competition under the Lanham Act, 15 U.S.C. §§ 1114(1) & 1125(a), and common law. The District Court (Hamilton, J.) issued a preliminary injunction, "[p]rimarily because Shakespeare appears very likely to succeed on the merits of its claims." App. 134a. With Judge Hamilton's elevation to the Court of Appeals, however, the case was transferred to another judge, who after trial issued a decision on September 24, 1992 concluding that Silstar's use of the clear tip in its Power Tip Crystal rods was a "fair use" of Shakespeare's trademark. The court specifically declined to consider whether Silstar's use of the clear tip on its rods would create a likelihood of confusion with Shakespeare's trademarked rods, ruling that "[t]he fair use defense is applicable even where a plaintiff can establish likelihood of confusion." *Id.* 109a n.7. The court also

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istrant's ownership of the mark, and of the registrant's exclusive right to use the mark in commerce." 15 U.S.C. § 1115(b). To qualify as incontestable, a trademark must have been on the register for five years and meet the other conditions set forth in 15 U.S.C. § 1065. *See* App. 63a-64a n.2.

ordered the Patent and Trademark Office to cancel Shakespeare's trademark, on the ground that the clear tip was merely a functional feature of graphite fishing rods with a solid fiberglass tip and therefore not entitled to trademark registration. *Id.* 113a.

Shakespeare appealed and the Fourth Circuit reversed. The Court of Appeals, relying on this Court's decision in *Park 'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985), held that "the district court improperly canceled the registration on the ground of functionality because functionality is not one of the statutorily enumerated grounds upon which a trademark registered more than five years may be canceled." App. 59a.[2] The Court of Appeals also disagreed with the District Court's approach to the issue of fair use and likelihood of confusion, instructing the trial court that on remand "any inquiry into an alleged 'fair use' of the clear tip must be accompanied by an analysis of the likelihood of confusion among consumers that may be created by Silstar's use of the clear tip." *Id.* 73a-74a.

Judge Niemeyer dissented, arguing that "copying furthers competition" and that Shakespeare's mark should be denied enforcement on the ground that it is functional. *Id.* 82a, 90a. With respect to the majority's conclusion that functionality was not one of the statutorily enumerated grounds for canceling the registration of an incontestable trademark, Judge Niemeyer asserted that "[e]ven if the registration is allowed to stand, that does not preclude us from denying enforcement of a mark when such enforcement would be repugnant to the policies embodied in this nation's laws." *Id.* 90a. This Court denied Silstar's petition for certiorari. 511 U.S. 1127 (1994).

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[2] Pending legislation would add functionality to the list of bases that could be used as a defense against attempts to enforce an incontestable mark. H.R. 1661, 105th Cong. § 9. *See* 143 Cong. Rec. H5547 (daily ed. July 22, 1997). That legislation does not affect any of the questions presented in this petition.

On remand the District Court again ruled in favor of Silstar, concluding that (1) Shakespeare had failed to establish likelihood of confusion and (2) Silstar had established fair use. In reaching the former conclusion, the court expressly rejected Shakespeare's contention that it was entitled to a presumption of likelihood of confusion in light of Silstar's intentional copying of Shakespeare's registered mark. The court agreed that "Silstar had knowledge of, and essentially copied, Shakespeare's trademark," but held that it "will not apply" the otherwise applicable presumption of likelihood of confusion, because "Silstar seeks to use the clear tip only in its descriptive sense" and "merely seeks to reproduce and utilize a functional attribute," App. 42a-44a—the very grounds the Court of Appeals had rejected in its prior opinion as permissible bases for challenging the incontestable mark in light of this Court's decision in *Park 'N Fly*. In finding no likelihood of confusion, the District Court expressly ruled that it was "not precluded from examining the strength of Shakespeare's trademark by virtue of the fact that it is incontestable." App. 49a n.23.

The court then concluded that Silstar had established fair use, even assuming likelihood of confusion. The court acknowledged that "there is some authority which holds that there can be no fair use when any likelihood of confusion has been shown," but concluded that "the better view * * * is to the contrary." *Id.* 53a. The District Court, repeatedly quoting from and relying on Judge Niemeyer's "thorough * * * dissent," found fair use in reliance on the purported descriptiveness and functionality of Shakespeare's mark, despite the prior appellate panel's ruling on those attributes. The District Court expressly held that

> whatever strength Shakespeare's trademark may have or any confusion which may arise from Silstar's use of the clear tip does not * * * outweigh Silstar's right to use the clear tip, which is a functional attribute of these type of fishing rods, fairly and in good faith as a descriptive device. [*Id.* 55a.]

Shakespeare again appealed but this time a divided panel of the Fourth Circuit affirmed in an opinion by Judge Niemeyer. The majority held that Shakespeare was not entitled to a presumption of likelihood of confusion despite Silstar's knowledge and copying of Shakespeare's incontestable mark, on the ground that the presumption only arises when the copier also intends to exploit the registered mark's goodwill. *Id.* 8a, 12a-13a. The majority also rejected Shakespeare's contention that likelihood of confusion precludes consideration of a fair use defense. *Id.* 16a-17a. Finally, the majority concluded that the District Court properly "considered the functional and descriptive aspects of Shakespeare's mark" in (1) declining to apply the presumption of likelihood of confusion, (2) concluding that Silstar had established fair use, and (3) assessing the strength of Shakespeare's incontestable mark. *Id.* 9a-11a.

This time Judge Widener—who had been in the previous majority—dissented. He argued that Silstar's knowledge and copying of Shakespeare's mark—acknowledged by both the District Court and the panel majority—should have resulted in a presumption of likelihood of confusion, and that "[h]ad the district court properly applied this presumption, its findings of fact may well have been altered." *Id.* 18a-19a. Judge Widener further explained that the fair use defense is not available if a likelihood of confusion is established, noting that "[t]he majority's holding would place this circuit in the minority of courts that permit a fair-use defense even if a likelihood of confusion exists." *Id.* 20a (citing 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 11:47 n.2 (4th ed. 1996)). *See id.* 20a ("the majority opinion adopts the minority view of the authorities, that a fair-use defense is available even in the face of intentional copying").

The panel denied rehearing, 2-1, with Judge Widener voting to grant. The Fourth Circuit split 6-6 on rehearing in banc. *Id.* 136a-139a.[3]

REASONS FOR GRANTING THE WRIT

This Court has explained that a "principal purpose for which we use our certiorari jurisdiction * * * is to resolve conflicts among the United States courts of appeals." *Braxton* v. *United States*, 500 U.S. 344, 347 (1991). *See* S. Ct. Rule 10(a). Few cases present genuine conflicts of this nature, underscoring the significance of those that do. This case presents three. The divided Fourth Circuit decision below deepens a three-way conflict on whether a finding of intentional copying raises a presumption of a likelihood of confusion, as the Second, Sixth, Ninth, and Eleventh Circuits have held; no presumption of a likelihood of confusion, as the Third, Fifth, and Seventh Circuits have held; or a presumption of a likelihood of confusion only if there is proof of intent to deceive or exploit, as the First and Fourth Circuits have held. It also brings the Fourth Circuit into conflict with the Second, Fifth, and Ninth Circuits over whether the fair use defense may be maintained when a likelihood of confusion exists. And it deepens the conflict that has developed in the wake of this Court's decision in *Park 'N Fly, Inc.* v. *Dollar Park and Fly, Inc., supra*, over whether an incontestable trademark must be considered a strong mark, as the Second, Sixth, and Eleventh Circuits have held, or may be found to be a weak or merely descriptive mark, as the Fourth, Fifth, Seventh, and Ninth Circuits have held. In denying Shakespeare's trademark infringement claim, the Fourth Circuit affirmatively took sides on each of these direct conflicts.

The only remaining question, then, is whether these issues are sufficiently important to warrant plenary review

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[3] Judge Hamilton did not participate in the in banc vote, because of his previous participation as the district judge who had granted Shakespeare a preliminary injunction on the ground of its likelihood of success on the merits. App. 136a, 138a.

by this Court. They plainly are. As this Court has explained, "[n]ational protection of trademarks is desirable * * * because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation." *Park 'N Fly*, 469 U.S. at 198. The issues presented by this case directly impact the level of protection to which businesses such as Shakespeare are entitled under the federal trademark laws. The proper resolution of these issues, moreover, is critical to the other compelling objective of the federal trademark laws—the protection of consumers against confusion over the source of goods. *See* 15 U.S.C. § 1114(1)(a). Given the undeniable importance of the questions presented, it is not surprising to find that they have been the subject of pointed debate not only among the federal circuits, but also among practitioners and academics in the field of trademark law. In this case, these issues divided panels of the Fourth Circuit twice, then split the entire court 6-6 in determining whether to reconsider them in banc. Guidance is needed from this Court.

National uniformity is critical to federal trademark law, just as it is to patent law. "Otherwise, 'a zone of uncertainty which enterprise and experimentation may enter only at the risk of infringement claims would discourage invention only a little less than unequivocal foreclosure of the field.' " *Markman* v. *Westview Instruments, Inc.*, 116 S. Ct. 1384, 1395 (1996) (quoting *United Carbon Co.* v. *Binney & Smith Co.*, 317 U.S. 228, 236 (1942)). *See also Bonito Boats, Inc.* v. *Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) (recognizing the need for "national uniformity in the realm of intellectual property"). The Lanham Act was enacted precisely to eliminate such uncertainty, which had arisen due to the conflicting state laws on the scope of trademark protection. *See Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 505 U.S. 763, 782 nn.15 & 16 (1992) (Stevens, J., concurring in judgment); *Rickard* v. *Auto Publisher, Inc.*, 735 F.2d 450, 457 (11th Cir. 1984); H.R. Rep. No. 78-603, at 4 (1943). Uniformity is plainly lacking in the federal cir-

cuits today on the recurring threshold questions presented by this petition, subjecting Shakespeare's trademark to the same vagaries that led to the enactment of the Lanham Act in the first place.

This Court should grant certiorari to establish national uniformity on the important questions presented.

I. THE COURT SHOULD GRANT CERTIORARI TO RESOLVE THE CONFLICT IN THE CIRCUITS OVER WHETHER A FINDING OF INTENTIONAL COPYING RAISES A PRESUMPTION OF A LIKELIHOOD OF CONFUSION.

It is undisputed in this action that Silstar "had knowledge of, and essentially copied, Shakespeare's trademark." App. 11a, 18a, 42a. In some circuits, including the Second, Sixth, Ninth, and Eleventh, this finding alone would have allowed petitioner to enjoy the benefit of a presumption of likelihood of confusion. The Fourth Circuit, however, joining the First Circuit, declined to apply such a presumption on the strength of the finding of intentional copying, instead requiring proof of intent to deceive or exploit before permitting the presumption to arise. Still other circuits, including the Third, Fifth, and Seventh, do not allow a presumption of likelihood of confusion even where intent to deceive is established, but instead relegate evidence of the defendant's intent to the role of "a mere factor in the likelihood-of-confusion analysis." Andrew Corydon Finch, *When Imitation is the Sincerest Form of Flattery: Private Label Products and the Role of Intention in Determining Trade Dress Infringement*, 63 U. Chi. L. Rev. 1243, 1261 (1996). The federal courts of appeals are hopelessly divided on the evidentiary effect of intentional copying in the context of a trademark infringement action, and this Court should grant certiorari to resolve the longstanding conflict.

Under the Lanham Act, the owner of a trademark is expressly protected from unauthorized uses that are "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1114(1)(a). As a leading com-

mentator has observed, likelihood of confusion is the "keystone" and the "basic test" of both common-law and federal statutory trademark infringement. 3 McCarthy, *supra*, § 23:1 at 23-6. *See also Bonito Boats, Inc.* v. *Thunder Craft Boats, Inc.*, 489 U.S. at 157 (The "general concern" of the law of unfair competition, including trademark, "is with protecting consumers from confusion as to source") (emphasis omitted). Shakespeare was thus required to demonstrate a likelihood of consumer confusion arising from Silstar's actions. The decision of the court below made that task considerably more difficult in the Fourth Circuit than it would have been in other circuits.

Under decisions of the Second Circuit, for example, the finding that Silstar intentionally copied Shakespeare's trademark would have given rise to a presumption of a likelihood of confusion. As the Second Circuit observed in *Mobil Oil Corp.* v. *Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987), under its longstanding rule, "[i]ntentional copying gives rise to a presumption of a likelihood of confusion."[4] *See also Warner Bros.* v. *American Broadcasting Cos.*, 720 F.2d 231, 246-247 (2d Cir. 1983) ("We have recognized that evidence of intentional copying raises a presumption that a second comer intended to create a confusing similarity of appearance and succeeded"); *Perfect Fit Industries, Inc.* v. *Acme Quilting Co.*, 618 F.2d 950, 954 (2d Cir. 1980) ("If there was intentional copying the second comer will be presumed to have intended to create a confusing similarity

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[4] The Second Circuit's presumption of likelihood of confusion traces its origins to Judge Learned Hand's opinion in *My-T-Fine Corp.* v. *Samuels*, 69 F.2d 76, 77 (2d Cir. 1934) ("a late comer who deliberately copies the dress of his competitors already in the field, must at least prove that his effort has been futile"). While the rule therefore originated in the trade dress context, the Second Circuit has readily applied the presumption in the trademark context as well. *See Paddington Corp.* v. *Attiki Importers & Distributors, Inc.*, 996 F.2d 577, 586 (2d Cir. 1993).

of appearance and will be presumed to have succeeded").[5] *See also L.A. Gear, Inc.* v. *Thom McAn Shoe Co.*, 988 F.2d 1117, 1132 (Fed. Cir.) (applying Second Circuit precedent), *cert. denied*, 510 U.S. 908 (1993).

The Sixth, Ninth, and Eleventh Circuits also apply a presumption of likelihood of confusion upon a demonstration of intentional copying. Thus, the Eleventh Circuit held in *Bauer Lamp Co.* v. *Shaffer*, 941 F.2d 1165, 1172 (11th Cir. 1991), that "[i]ntent to copy in itself creates a rebuttable presumption of likelihood of confusion." Similarly, the Sixth Circuit has recognized a "presumption of likelihood of confusion that follows from intentional copying." *Ferrari S.p.A. Esercizio Fabriche Automobili E Corse* v. *Roberts*, 944 F.2d 1235, 1243 (6th Cir. 1991), *cert. denied*, 505 U.S. 1219 (1992). The Ninth Circuit has likewise held that "[w]hen the alleged infringer knowingly adopts a mark similar to another's, reviewing courts presume that the defendant can accomplish his purpose: that is, that the public will be deceived." *AMF, Inc.* v. *Sleekcraft Boats*, 599 F.2d 341, 354 (9th Cir. 1979).[6]

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[5] While some commentators have mistakenly indicated that the Second Circuit—like the Fourth Circuit below—permits the presumption only upon a finding of intent to deceive, the cases cited make plain that in the Second Circuit the presumption arises on proof of intent to copy alone. Thus, as the court said in the *Perfect Fit* case, intentional copying gives rise to the presumption that "the second comer * * * *intended to create a confusing similarity of appearance* and * * * succeeded." 618 F.2d at 954 (emphasis added). Under this rule, intentional copying gives rise to a presumption of intent to deceive *and* of likely confusion; the presumption obviously does not require proof of intent to deceive. *See Versa Products Co.* v. *Bifold Company (Manufacturing) Ltd.*, 50 F.3d 189, 206 (3d Cir.) (citing *Perfect Fit* for "intent-to-copy" rule and noting that Second Circuit's rule "requires a double inference"), *cert. denied*, 116 S. Ct. 54 (1995).

[6] *See also Official Airline Guides, Inc.* v. *Goss*, 6 F.3d 1385, 1394 (9th Cir. 1993) ("When an alleged infringer knowingly adopts a mark similar to another's, courts will presume an intent to deceive the public"); *Academy of Motion Picture Arts and Sciences* v.

The Fourth Circuit below, however, expressly declined to afford petitioner the benefit of this presumption upon a finding of intentional copying. Instead, the panel majority held, the "presumption arises only where the intentional copying is motivated by an 'intent to exploit the good will created by an already registered trademark.'" App. 12a (quoting *AMP, Inc.* v. *Foy*, 540 F.2d 1181, 1186 (4th Cir. 1976)). In direct conflict with the rule applied in the Second, Sixth, Ninth, and Eleventh Circuits, the Fourth Circuit below held that "where the owner of a junior mark essentially copies a mark," the party claiming infringement "must prove the likelihood of confusion without the benefit of a presumption" unless it also demonstrates "intent to exploit the senior mark's goodwill." *Id.* 12a.

A similar requirement is applied in the First Circuit. That court first considered the issue in *Boston Athletic Ass'n* v. *Sullivan*, 867 F.2d 22 (1st Cir. 1989), and appeared to agree with those courts applying the presumption upon a finding of intentional copying alone. Thus, the court cited cases for the proposition that "in

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Creative House Promotions, Inc., 944 F.2d 1446, 1456 (9th Cir. 1991) ("When one party knowingly adopts a mark similar to another's, reviewing courts presume that the defendant will accomplish its purpose and that the public will be deceived"). The Tenth Circuit appears to follow a similar rule, although its cases could also be read for the proposition that intentional copying may, but does not necessarily, support an inference of likelihood of confusion. *See Jordache Enterprises, Inc.* v. *Hogg Wyld, Ltd.*, 828 F.2d 1482, 1485-86 (10th Cir. 1987) ("A conscious choice of a mark similar to a mark already established in the marketplace usually supports a finding of likelihood of confusion because the court presumes that [the alleged infringer] can accomplish his purpose: that is, that the public will be deceived") (citing *AMF, Inc., supra*) (internal quotation marks omitted); *Beer Nuts, Inc.* v. *Clover Club Foods Co.*, 805 F.2d 920, 927 (10th Cir. 1986) ("deliberate adoption of a similar mark may lead to an inference of intent to pass off goods as those of another which in turn supports a finding of likelihood of confusion"); *Beer Nuts, Inc.* v. *Clover Club Foods Co.*, 711 F.2d 934, 941 (10th Cir. 1983).

cases of intentional copying, the second comer is generally 'presumed to have intended a confusing similarity of appearance and to have succeeded in doing so,' " and noted that "we adopt a similar presumption." *Id.* at 34 (citation omitted). In a subsequent case, however, the First Circuit indicated that it requires more than proof of intentional copying before permitting a presumption of likely confusion. *See WCVB-TV* v. *Boston Athletic Ass'n*, 926 F.2d 42 (1st Cir. 1991) (Breyer, J.). While "conced[ing] that the *Sullivan* court said that 'there is a rebuttable presumption' of confusion" arising from intentional copying, the *WCVB-TV* court read *Sullivan*, "taken as a whole," to require proof of intent to deceive or exploit before permitting a presumption of confusion. *Id.* at 45.

Yet a third rule is applied in the Third, Fifth, and Seventh Circuits. In these courts, *no* presumption is invoked as a result of proof of the defendant's intent, whether the proof shows intentional copying or intent to deceive. Instead, these courts have expressly declined to adopt a presumption and hold that evidence of the defendant's intent is simply a factor to consider on the question of likelihood of confusion. Thus, in *American Home Products Corp.* v. *Barr Laboratories, Inc.*, 834 F.2d 368, 371 (3d Cir. 1987), the court did not adopt a presumption at all but rather held that "[a]t most, defendant's intent is a relevant factor tending to suggest likelihood of confusion." In direct contrast to those courts that apply a presumption of likelihood of confusion upon certain evidence of defendant's intent, the Third Circuit held that "evidence of defendant's intent does not relieve plaintiff of its burden of proving likelihood of confusion by a preponderance of the evidence." *Id.*

The Third Circuit further discussed the issue in *Versa Products Co.* v. *Bifold Company (Manufacturing) Ltd.*, 50 F.3d 189, 205-206 (3d Cir.), *cert. denied*, 116 S. Ct. 54 (1995), explaining its view—in direct conflict with the rationale underlying the presumption in the Second,

Sixth, Ninth, and Eleventh Circuits—that "there is little basis in fact or logic for supposing from a defendant's *intent* to copy (without more) that the defendant's *actions* will in fact result in confusion." *Id.* at 205 (emphases in original). The court explained that its opinion in *American Home Products* "did not hold that independent significance must be accorded a defendant's mere intent to copy," but only that " 'intent to confuse *might* be highly probative of likelihood of confusion.' " *Id.* at 206 (emphasis added by *Versa* court).

The Seventh Circuit endorsed this approach in *Schwinn Bicycle Co.* v. *Ross Bicycles, Inc.*, 870 F.2d 1176 (7th Cir. 1989). The court there specifically held that "the district judge committed error when he *presumed* the likelihood of confusion element from his finding that [the defendant] intentionally copied" plaintiff's product. *Id.* at 1184 (emphasis in original). "While the district court has discretion to determine the evidentiary weight to be given any single factor, we do not believe that the application of a *presumption* is a permissible or appropriate equivalent to weighing one factor more than another." *Id.* (emphasis in original). *See also Computer Care* v. *Service Systems Enterprises, Inc.*, 982 F.2d 1063, 1070 (7th Cir. 1992) ("Although deliberate copying does not create a presumption of consumer confusion, it is an important factor bearing on the likelihood of confusion") (internal quotation marks and emphasis omitted).

This rule also prevails in the Fifth Circuit. In *Blue Bell Bio-Medical* v. *Cin-Bad, Inc.*, 864 F.2d 1253 (5th Cir. 1989), that court held that "[a] defendant's intent to copy is a relevant factor which a court may consider when deciding whether there is a likelihood of confusion," and observed that evidence concerning the defendant's intent may support an *inference* of likely confusion. *Id.* at 1259 (citing *Chevron Chemical Co.* v. *Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 704 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982)). The Fifth Circuit also admonished that evidence of intent could not be con-

clusive on likelihood of confusion, but instead "we must remember that the intent of the defendant is just one element in the likelihood of confusion inquiry." *Id.* *See also Sunbeam Products, Inc.* v. *West Bend Co.*, 1997 WL 570355, at *8-*9 (5th Cir. Sept. 15, 1997).

The conflict in the circuits is thus well-established. It is not, moreover, a conflict that must be inferred by careful reading of the courts and commentators. Instead, these authorities expressly recognize the state of confusion in the courts. Indeed, the Fourth Circuit itself noted the conflicting views in the circuits in *Osem Food Industries Ltd.* v. *Sherwood Foods, Inc.*, 917 F.2d 161 (4th Cir. 1990), cited by both the panel majority and dissent below. *See id.* at 164 ("Whether there is a presumption of likelihood of consumer confusion from proof of intentional copying of trade dress is an issue that has divided the circuits"). *See also, e.g., Turtle Wax, Inc.* v. *First Brands Corp.*, 781 F. Supp. 1314, 1327 n.19 (N.D. Ill. 1991) ("Whether a presumption of likelihood of confusion arises from proof of intentional copying is a question which has divided the circuit courts").

Similarly, *McCarthy on Trademarks* reports that "the Sixth and Eleventh Circuits are in accord [with the Second] that intentional copying creates a presumption of a likelihood of confusion," while noting that the Seventh and Third Circuits "refuse[] to adopt the rule that proof of intentional copying creates a presumption of likelihood of confusion," instead holding that "deliberate copying is just one of several factors to be weighed in determining a likelihood of confusion and infringement." *Id.* § 23:111 at 23-213 to 23-214. The divergent approaches of the courts of appeals are also noted in the comments to the *Restatement of the Law of Unfair Competition (Third)* § 22 (comment c) (1995), and in recent law review commentary. *See* Finch, 63 U. Chi. L. Rev. at 1253-62 (discussing cases (1) holding that "intent to copy raises presumption;" (2) holding that "intent to

confuse raises presumption," and (3) treating "intent as a relevant factor").

This is not to say that all of these authorities concur on the question of which courts of appeals apply which of the three approaches to the issue, or that various panels of the circuits have been uniform on which of the approaches constitutes circuit law. Thus, for example, the panel below was divided on the question whether the Fourth Circuit's earlier decision in *Osem Food Industries* adopted the presumption after finding intentional copying or whether more was required. Judge Widener, in dissent below, noted that *Osem*—an opinion he authored— indicated that intentional copying alone gives rise to the presumption of likely confusion, and that there is "no precedent in this circuit requiring a showing of something more than intentional copying before the presumption arises." App. 19a. The *Osem* opinion also indicated its understanding that the Eleventh Circuit follows the Third and Seventh. *See* 917 F.2d at 164. *But see id.* at 164 n.7 (expressing lack of certainty about view in Eleventh Circuit).

It is, however, beyond doubt that the circuit courts of appeals have adopted three divergent views on how proof of a defendant's intent should be factored into the evidentiary scheme of a trademark infringement action on the question of likelihood of confusion. As noted, this inquiry is the central issue in trademark infringement actions. The conflict, moreover, is long-standing and well-developed. It has attracted the attention of both courts and commentators. This Court should grant certiorari now to resolve the question and eliminate further wasteful debate in the lower courts.

II. THE COURT SHOULD GRANT CERTIORARI TO RESOLVE THE CONFLICT IN THE CIRCUITS OVER WHETHER THE FAIR USE DEFENSE IS AVAILABLE WHEN A LIKELIHOOD OF CONFUSION EXISTS.

The Fourth Circuit decision in this case also deepens a conflict of authority among the lower courts over the question whether the fair use defense is available when a likelihood of confusion exists. Even when a mark is deemed valid and protectable, the federal trademark laws permit a competitor to use it "fairly and in good faith only to describe the goods or services of such party." 15 U.S.C. § 1115(b)(4). This is known as the "fair use" defense. "In essence, the fair use defense prevents a trademark registrant from appropriating a descriptive term for its own use to the exclusion of others, who may be prevented thereby from accurately describing their own goods." *Zatarains, Inc.* v. *Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 791 (5th Cir. 1983). *See generally* 1 McCarthy, *supra*, § 11:45 at 11-77 to 11-80. The federal circuits are split over whether this defense is available when a likelihood of confusion exists.

Because the overriding purpose of the federal trademark laws is to protect consumers from confusion as to the source of goods, *see* 15 U.S.C. § 1114(1)(a); *Bonito Boats, Inc.*, 489 U.S. at 154; *WCVB-TV* v. *Boston Athletic Ass'n*, 926 F.2d at 45; 1 McCarthy, *supra*, § 11:47 at 11-83, the Second, Fifth, and Ninth Circuits have ruled that the fair use defense is simply unavailable whenever a likelihood of confusion exists. *See, e.g., Dallas Cowboys Cheerleaders, Inc.* v. *Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 n.9 (2d Cir. 1979) ("Because the primary purpose of the trademark laws is to protect the public from confusion, it would be somewhat anomalous to hold that the confusing use of another's trademark is 'fair use.'") (citation omitted); *Zatarains, Inc.* v. *Oak Grove Smokehouse, Inc.*, 698 F.2d at 791 (5th Cir.) (fair use defense is unavailable where the use "lead[s] to customer

confusion as to the source of the goods or services"); *Lindy Pen Co.* v. *Bic Pen Corp.*, 982 F.2d 1400 (9th Cir.), *cert. denied*, 510 U.S. 815 (1993); *Transgo, Inc.* v. *Ajac Transmission Parts Corp.*, 911 F.2d 363, 366 n.2 (9th Cir. 1990) (given showing of "likelihood of customer confusion," there was no need to consider fair use defense); *Lindy Pen Co., Inc.* v. *Bic Pen Corp.*, 725 F.2d 1240, 1248 (9th Cir. 1984) ("Bic invokes its fair use of Lindy's mark to immunize it from liability for infringement even where likelihood of confusion has been shown. This court has never adopted so broad an interpretation of the fair use defense, and we decline to do so here."), *cert. denied*, 469 U.S. 1188 (1985).[7]

While Silstar has attempted to minimize the significance of these precedents, the district courts have almost unfailingly felt obliged to heed them in entertaining trademark infringement actions similar to the one brought by Shakespeare here. *See, e.g., Pebble Beach Co.* v. *Tour 18 I, Ltd.*, 942 F. Supp. 1513, 1553 (S.D. Tex. 1996) ("where the use of another's mark * * * creates a likelihood of confusion among consumers as to source, affiliation, or sponsorship, no fair use defense is available") (citing *Zatarains, supra*); *Volkswagen Astiengesellschaft* v. *Uptown Motors*, 1995 WL 605605, at *10 (S.D.N.Y.,

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[7] In a similar vein, the First Circuit—"agree[ing] with the Eighth Circuit"—has held that " '[a]n imitator may use in a truthful [*i.e.*, fair] way an originator's trademark when advertising that the imitator's product is a copy,' *so long as no confusion as to the source is likely to result.*" *Hypertherm, Inc.* v. *Precision Prods., Inc.*, 832 F.2d 697, 701 (1st Cir. 1987) (quoting *Calvin Klein Cosmetics Corp.* v. *Lenox Labs., Inc.*, 815 F.2d 500, 503 (8th Cir. 1987)) (emphasis added).

The Third Circuit, for its part, has expressly reserved judgment on this important question. *See, e.g., Institute for Scientific Information, Inc.* v. *Gordon & Breach, Science Publishers, Inc.*, 931 F.2d 1002, 1006 n.6 (3d Cir.) ("Our disposition of this appeal does not require us to decide whether a finding of fair use is inconsistent with a finding of likelihood of confusion"), *cert. denied*, 502 U.S. 909 (1991).

May 11, 1995) ("fair use defense * * * is not applicable where a likelihood of confusion has been found") (citing *Dallas Cowboys Cheerleaders, supra*); *Mil-Mar Shoe Co.* v. *Shonac Corp.*, 906 F. Supp. 476, 483 (E.D. Wis. 1995) ("this court opts for the more logical view of the Second, Fifth and Ninth Circuits that fair use cannot be a defense where a likelihood of confusion has been found") (citing *Dallas Cowboys Cheerleaders, supra; Zatarains, supra; Transgo, supra*), *rev'd on other grounds*, 75 F.3d 1153 (7th Cir. 1996); *Cullman Ventures, Inc.* v. *Columbian Art Works, Inc.*, 717 F. Supp. 96, 134 (S.D.N.Y. 1989) ("The 'fair use' defense does not encompass use that will lead to consumer confusion as to the source or origin of the goods at issue.") (citing *Dallas Cowboys Cheerleaders, supra; Zatarains, supra*); *Byrnes & Keifer Co.* v. *Flavoripe Co.*, 1 U.S.P.Q.2d 1124, 1128 (W.D. Pa. 1986) (fair use defense unavailable where likelihood of confusion exists) (citing *Zatarains, supra*). *See also DowBrands, L.P.* v. *Helene Curtis, Inc.*, 863 F. Supp. 963, 970 (D. Minn. 1994) ("[A] fair use defense cannot be maintained if there is a likelihood that consumer confusion would result from defendant's good faith use of the allegedly infringing term.").

The commentators, too, have almost universally embraced this view. *See, e.g.*, 1 McCarthy, *supra*, § 11:47 at 11-84 ("Because the paramount goal of the law of trademarks is to prevent likely confusion, a showing of likely confusion should trump a 'fair use.' *A court should never find that a likelihood of confusion exists but refuse to enjoin it because defendant's use is 'fair.'* A junior user's use should be deemed 'fair' only if it is nonconfusing.") (emphasis added); Stephen F. Mohr, *Recent Trends in Trade Dress Law: Is Trade Dress Protection in Decline?*, 438 Prac. L. Inst./Pat. 7, 21 (Apr. 15, 1996) ("If trade dress is protectable and if a likelihood of confusion is present, 'fair use' should not justify the copying of trade dress features. In those cases where the 'fair use' argument has been accepted, it appears that

the courts were simply looking for grounds to deny an infringement claim, where other grounds were unavailable.") (citing the instant case as the "most striking example of this judicial sleight of hand"); Theodore H. Davis, Jr., *Of "Ugly Stiks" and Uglier Case Law: A Comment on the Federal Registration of Functional Designs After* Shakespeare Co. *v.* Silstar Corp. of America, 51 Wash. & Lee L. Rev. 1257, 1304-05 & n.252 (1994) ("the 'fair use' defense does not encompass uses that are likely to cause confusion"); J. Steven Gardner, *Trademark Infringement, Likelihood of Confusion, and Trademark Parody:* Anheuser-Busch, Inc. *v.* L & L Wings, Inc., 28 Wake Forest L. Rev. 705, 729 & n.226 (1993) ("If * * * the plaintiff demonstrates a likelihood of confusion, 'fair use' is not a defense.").

Notwithstanding the weight of authority supporting this position, the Fourth Circuit below squarely rejected the "argument that a finding of likelihood of confusion legally precludes consideration of the fair-use defense," and, instead, embraced the District Court view "that the fair-use defense may be available even where a likelihood of confusion has been established." App. 16a, 6a. According to the Fourth Circuit, because "[t]he fair-use defense comes into play only when infringement—including a likelihood of confusion—has been established," "it defies logic to argue that [the] defense may not be asserted." *Id.* 16a-17a. In affirming the District Court judgment barring Shakespeare's trademark infringement claims, the Fourth Circuit thus joined the minority of courts which hold that the fair use defense is applicable when a likelihood of confusion exists, bringing that circuit into conflict with the Second, Fifth, and Ninth Circuits on a basic question of trademark law. *See* 1 McCarthy, *supra*, § 11:47 at 11-84 n.2 (collecting cases forming "minority" view).[8]

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[8] This minority view is shared by the *Restatement*. *See Restatement, supra*, § 28, comment b ("The fair use defense * * * can be

Judge Widener flatly disagreed with this holding. *See* App. 19a ("With regard to Silstar's fair-use defense, I do not believe such a defense is viable if a likelihood of confusion is established."). To him—and to the majority of other courts that have addressed this issue—"'it is inconsistent to find both likely confusion and a fair use. Rather, 'fair use' should be viewed as merely one type of use which is not likely to cause confusion and hence is a 'defense' only in that sense.'" *Id.* (quoting 1 McCarthy, *supra*, § 11:47 at 11-83 to 11-84). Judge Widener also grasped the significance of the Fourth Circuit ruling on this issue. As he explained, "[t]he majority's holding would place this circuit in the minority of courts that permit a fair-use defense even if a likelihood of confusion exists." App. 20a. *See id.* ("the majority opinion adopts the minority view of the authorities"). That admonition, however, went unheeded.

As in the case of the other issues presented by this petition, this conflict has not gone unnoticed. Indeed, both the dissent (*id.* 19a-20a) and the District Court (*id.* 53a) below expressly recognized the existence of conflicting authority on the question whether the fair use defense is available without regard to the likelihood of confusion. In *Mil-Mar Shoe Co.* v. *Shonac Corp.*, 75 F.3d 1153, 1161 n.17 (7th Cir. 1996), the Seventh Circuit—which has yet to take a side on this issue—expressly "acknowledge[d] the split of authority on th[is] question." *See also Sunmark, Inc.* v. *Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1059 (7th Cir. 1995) (discussing conflicting authorities on this question). And commentators in the field of trademark law have widely reported this conflict. *See, e.g.*, 1 McCarthy, *supra*, § 11:47 at 11-83 to 11-84 n.1 (collecting cases supporting majority view "that it is inconsistent to find both likely confusion and a fair use") & n.2 (collecting cases supporting "minority"

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applicable even if the trademark owner presents evidence sufficient to prove a likelihood of confusion.").

view "that a fair use defense can prevent a finding of infringement even if a likelihood of confusion exists"); Siegren D. Kane, *Trademark Infringement Litigation 1997: Sense & Sensibility*, 559 Prac. L. Inst./Litig. 361, 405-406 (1997) (discussing conflict).

This clear conflict of authority plainly warrants resolution by this Court. The fair use defense is a common fixture in trademark litigation and, as illustrated by the number of reported cases addressing the issue, the question whether the fair use defense is available when a likelihood of confusion exists frequently recurs in such litigation. As the opinions in this case illustrate, moreover, the proper resolution of this question is analytically critical to the ultimate disposition of such cases. Thus, in its first decision in this case, the District Court first addressed Silstar's fair use defense and, finding merit therein, thought it simply unnecessary to "reach the issue of * * * likelihood of confusion." App. 109a n.7. And, as reflected by the attention this issue—even in the context of this particular case—has received, *see, e.g.*, Charles S. Cotropia and John A. Harre, *Recent Developments in Trademark Law*, 4 Tex. Intell. Prop. L.J. 497, 506-508 (1996) (discussing interplay between "likelihood of confusion" and "fair use" in the context of the Fourth Circuit ruling in this case); authorities cited *supra* at 19-20, this question is undeniably important. *See* S. Ct. Rule 10(c).

The lower courts are in need of guidance from this Court on this important and recurring question of federal trademark law. Indeed, the District Court below itself flip-flopped on this issue, first holding "that a showing of likelihood of confusion would render the fair-use defense *inapplicable*," then "reconsider[ing] that statement and * * * reject[ing] it." App. 54a n.32 (emphasis added). The Fourth Circuit also struggled with this issue for some time, *see, e.g., Durex Co.* v. *Duron Paint Mfg. Co.*, 320 F.2d 882, 885 n.4 (4th Cir. 1963) (recognizing that "[t]here is authority that there may not be infringement

even where likelihood of confusion is found," but declining to decide the issue); *Dayton Progress Corp.* v. *Lane Punch Corp.*, 917 F.2d 836, 839-840 & n.7 (4th Cir. 1990) (rejecting fair use defense where district court had found likelihood of confusion to exist); App. 73a-74a ("any inquiry into an alleged 'fair use' * * * must be accompanied by an analysis of the likelihood of confusion among consumers"), before finally placing itself—in the divided opinion in this case—squarely behind the minority position that the fair use defense is available when a likelihood of confusion exists. App. 17a.[9]

This Court's decision in *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U.S. 526 (1924), further complicates matters, and thus underscores the need for this Court's review. In that case—decided long before the Lanham Act was enacted—the Court stated in *dictum* that "[t]he use of a similar name by another to truthfully describe his own product does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake the origin of the product." *Id.* at 528. As Judge Easterbrook observed in the course of acknowledging the existing conflict of authority over whether "confusion is inconsistent with a fair use defense," some of the lower courts

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[9] The Fifth Circuit similarly struggled in reaching its position on this question. In *Soweco, Inc.* v. *Shell Oil Co.*, 617 F.2d 1178, 1189 n.30 (5th Cir. 1980), *cert. denied*, 450 U.S. 981 (1981), the court of appeals stated in *dictum* that "even if there were a likelihood of confusion, the defendant would still be entitled to its fair-use defense." Two years later in *Zata-ains*, the Fifth Circuit held that the fair use defense is only available "so long as such use does *not* lead to customer confusion as to the source of the goods or services," 698 F.2d at 791 (emphasis added), though in the *Zatarains* case the Fifth Circuit, after concluding that consumer confusion was "virtually impossible," *id.* at 796, permitted application of the fair use defense. The courts within the Fifth Circuit have cited *Zatarains* for the majority view that, "where the use of another's mark * * * creates a likelihood of confusion among consumers * * *, no fair use defense is available." *Pebble Beach Co.* v. *Tour 18 I, Ltd.*, 942 F. Supp. at 1553.

that have addressed this issue have disregarded this statement. *Sunmark, Inc.* v. *Ocean Spray Cranberries, Inc.*, 64 F.3d at 1059. Others—such as the District Court below, App. 54a—have relied upon it. Thus, while *Warner* certainly does not and, coming decades before the Lanham Act, could not resolve the question presented here, it has nonetheless complicated the resolution of this issue in the lower courts.

This Court should grant certiorari to resolve the direct circuit conflict over whether the fair use defense is available when a likelihood of confusion exists.

III. THE COURT SHOULD GRANT CERTIORARI TO RESOLVE THE CONFLICT IN THE CIRCUITS OVER WHETHER THE INCONTESTABLE STATUS OF A TRADEMARK ESTABLISHES IN AN INFRINGEMENT ACTION THAT THE MARK IS A STRONG MARK.

This Court last considered the effect of a trademark's incontestable status in its decision in *Park 'N Fly, Inc.* v. *Dollar Park and Fly, Inc., supra.* In that case, the Court held that an action to enjoin infringement of an incontestable mark could not be "defended on the grounds that the mark is merely descriptive," 469 U.S. at 205, because descriptiveness is not one of the grounds enumerated in the statute as a basis for cancellation of a registration more than five years old. Since the Court's decision in *Park 'N Fly*, the courts of appeals have divided on the question whether the incontestable status of a mark also requires a finding that the mark is strong when considering likelihood of confusion and fair use. Some courts, including the Fourth Circuit below, do not allow incontestability to establish the strength of a mark, and therefore permit characterization of a mark as relatively weak and descriptive to affect both the likelihood of confusion and fair use inquiries. Other courts—more faithful to the teaching of *Park 'N Fly* that an incontestable mark may not be challenged on the basis of descriptiveness—

hold that an incontestable mark should not be found to be weak. This Court should grant certiorari to resolve this well-developed conflict.

In its first decision in this case, the Fourth Circuit held that "the district court improperly canceled [Shakespeare's] registration on the ground of functionality because functionality is not one of the statutorily enumerated grounds upon which a trademark registered more than five years may be canceled." App. 59a. In reaching this conclusion, the Fourth Circuit simply applied the rationale of this Court's decision in *Park 'N Fly* with respect to descriptiveness to a different basis for challenging efforts to enforce an incontestable mark—functionality.

On remand, however, the District Court considered both functionality *and* descriptiveness at length. In discussing likelihood of confusion—without giving Shakespeare the benefit of the presumption it would have enjoyed in other circuits—the District Court analyzed the "relative strength of Shakespeare's mark" according to whether it was generic, descriptive, suggestive, or arbitrary. App. 48a. Specifically holding that it was "not precluded from examining the strength of Shakespeare's trademark by virtue of the fact that it is incontestable," *id.* 49a n.23 (citing *Lone Star Steakhouse & Saloon, Inc.* v. *Alpha of Virginia, Inc.*, 43 F.3d 922, 934-935 (4th Cir. 1995)), the District Court found that Shakespeare's mark "is clearly descriptive," and that "Shakespeare's attempt to prove the strength of its mark * * * is not persuasive." *Id.* 49a-50a. These observations also infected the District Court's fair use analysis, because the District Court held that likelihood of confusion (an analysis that included review of the strength of the mark) is an " 'important factor[] in determining whether a use is fair.' " *Id.* 54a (citation omitted).

In affirming that decision, the Fourth Circuit expressly endorsed the District Court's consideration of descriptiveness—a characteristic indicative of the strength of the

mark—despite the incontestability of Shakespeare's mark. *Id.* 9a-11a. Citing its earlier decision in *Lone Star Steakhouse*, the Court of Appeals majority held that, "[i]n determining likelihood of confusion, the court may consider—indeed, should consider—the mark's strength," and noted that in considering strength the District Court had found the mark to be primarily descriptive. App. 9a. Like the District Court, the Fourth Circuit also considered descriptiveness in its analysis of Silstar's fair use defense, despite the fact that Shakespeare's mark is incontestable. *Id.* 17a.

In permitting consideration of the strength of an incontestable mark—here, finding the mark to be descriptive and functional—the Fourth Circuit applied a rule that is the subject of another entrenched split in the circuits, and which implicates this Court's decision in *Park 'N Fly*. Indeed, the Fourth Circuit's own earlier *Lone Star Steakhouse* decision, on which the panel below relied (*see* App. 9a), had catalogued the conflict of authority in the circuits. *See* 43 F.3d at 934 (citing cases).

Under the rule applied in the Fifth, Seventh, and Ninth Circuits, as well as the Fourth, "incontestability alone does not establish that the trademark is strong." *Id.* *See Miss World (U.K.) Ltd.* v. *Mrs. America Pageants, Inc.*, 856 F.2d 1445, 1448-49 (9th Cir. 1988) ("an incontestable status does not alone establish a strong mark"); *Munters Corp.* v. *Matsui America, Inc.*, 909 F.2d 250, 252 (7th Cir.) ("*Park 'N Fly* does not preclude consideration of a mark's strength for purposes of determining the likelihood of confusion"), *cert. denied*, 498 U.S. 1016 (1990); *Oreck Corp.* v. *U.S. Floor Systems, Inc.*, 803 F.2d 166, 171 (5th Cir. 1986) (discussing *Park 'N Fly* and holding that "[i]ncontestable status does not make a weak mark strong"), *cert. denied*, 481 U.S. 1069 (1987). *See also Lone Star Steakhouse*, 43 F.3d at 935.

In the Second, Sixth, and Eleventh Circuits, by contrast, an incontestable mark is presumed to be a strong

mark. These courts rely on this Court's decision in *Park 'N Fly*, and conclude that permitting an incontestable mark to be considered a relatively weak or descriptive mark is inconsistent with the Court's teaching that descriptiveness may not be the basis for challenging an incontestable mark. Thus, in *Gruner + Jahr USA Publishing* v. *Meredith Corp.*, 991 F.2d 1072, 1077 (2d Cir. 1993), the Second Circuit relied on *Park 'N Fly* for the proposition that "it must be concluded that for purposes of establishing its protectability in an infringement suit [that an incontestable mark] is a strong mark entitled to be protected." [10] Similarly, in *Wynn Oil Co.* v. *American Way Service Corp.*, 943 F.2d 595 (6th Cir. 1991), the Sixth Circuit held that, under *Park 'N Fly*, " 'once a mark has been registered for five years, the mark must be considered strong and worthy of full protection.' " *Id.* at 600 (citation omitted). *See also Daddy's Junky Music Stores, Inc.* v. *Big Daddy's Family Music Center*, 109 F.3d 275, 282 (6th Cir. 1997). In *Dieter* v. *B & H Industries of Southwest Florida, Inc.*, 880 F.2d 322 (11th Cir. 1989), *cert. denied*, 498 U.S. 950 (1990), the Eleventh Circuit likewise held that "incontestable status is a factor to be taken into consideration in likelihood of confusion analysis. Because Dieter's mark is incontestable, then it is presumed to be at least descriptive with secondary meaning, *and therefore a relatively strong mark*." *Id.* at 329 (emphasis added).

Again, this conflict in the circuits is one that has been widely recognized. The courts of appeals have noted the divergence of their views. *See, e.g., Lone Star Steakhouse*, 43 F.3d at 934; *Wynn Oil*, 943 F.2d at 600. *See also The Sports Authority, Inc.* v. *Abercrombie & Fitch, Inc.*, 965 F. Supp. 925, 936-937 n.10 (E.D. Mich. 1997)

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[10] While the Second Circuit thus equates incontestability with strength for purposes of determining "protectability," it appears to view incontestability as relevant, but not necessarily controlling, on the issue of strength in the likelihood of confusion analysis. *See Gruner + Jahr*, 991 F.2d at 1077-78. *See also The Sports Authority, Inc.* v. *Prime Hospitality Corp.*, 89 F.3d 955, 961 (2d Cir. 1996).

(noting conflict). *McCarthy on Trademarks* likewise recognizes the conflict among the courts of appeals on this question. 4 McCarthy, *supra*, § 32:155 at 32-186 to 32-187 (discussing conflict on effect of incontestability on determination of strength of trademark).

In Kenneth L. Port, *The Illegitimacy Of Trademark Incontestability*, 26 Ind. L. Rev. 519, 548-549 (1993) (emphasis added), the author explains that "[m]any expected that the Supreme Court in *Park 'N Fly* would settle all issues regarding incontestability *including whether incontestability contributes to the mark's strength.* However, *Park 'N Fly* fell far short of expectations. Rather than clarify incontestability, *the circuit courts apparently are now even more confused about incontestability* than before *Park 'N Fly*." The author then provides extensive annotations showing the various approaches of the circuits to the question, or, where no circuit authority exists, the district courts' handling of the issue. *Id.* at 570-587. In his commentary, the author repeatedly describes the courts as "confused," "inconsistent," "completely inconsistent," and "ambiguous."[11]

There is no good reason to let this conflict simmer any longer. This Court's decision twelve years ago in *Park 'N Fly* clearly resolved some aspects of the implications of incontestability, but left others open to further development. The development in the intervening period has failed to resolve the question whether incontestability establishes the strength of a mark; instead, the lower

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[11] *See also* 26 Ind. L. Rev. at 520 ("incontestability is applied in inconsistent, irregular, and sometimes completely contradictory ways by each circuit and even within each circuit"); *id.* at 551 ("Whereas before *Park 'N Fly* there was confusion and divergence between the circuits over the offensive/defensive use of incontestable marks, and whereas prior to the Trademark Amendment Act of 1988 there was confusion over use of equitable defenses to an incontestable mark, there now exists confusion and inconsistency over whether incontestability can be used (and to what extent) in the strength of the mark analysis").

courts are in disarray on that question. The question is a particularly important one in trademark litigation, because "whether a plaintiff's mark is strong is usually a primary inquiry when determining if a third party's use of the same or similar mark infringes the plaintiff's mark." *Id.* at 548.[12] This Court should grant certiorari to ensure the uniformity in the lower federal courts on trademark law that the Lanham Act was intended to provide.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

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[12] *See also id.* at 548 n.160 ("the strength of the mark often dictates whether the plaintiff will prevail"); *id.* at 548 (noting that the split in the circuits on "the weight a trial court should give to evidence of an incontestable registration" is "potentially more consequential" than the split resolved in *Park 'N Fly*).